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HOUSE BILL 1824

State of Washington 57th Legislature 2001 Regular Session

By Representatives Schual-Berke, G. Chandler, Linville, Lantz, Romero, McIntire, Dunshee, O'Brien, Veloria, Edwards, Poulsen, Keiser, McDermott and Miloscia

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- 1 AN ACT Relating to hazardous substance deposits on lesser
- 2 contaminated sites; amending RCW 70.105D.020, 70.105D.050, and
- 3 70.105D.080; adding a new section to chapter 70.105D RCW; creating a
- 4 new section; prescribing penalties; and declaring an emergency.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** (1) The legislature finds that each person
- 7 has a fundamental and inalienable right to a healthful environment and
- 8 each person has a responsibility to preserve and enhance that right.
- 9 The state has a solemn obligation to the present generation for the
- 10 benefit of future generations. The legislature finds a healthful
- 11 environment is threatened by irresponsible disposal of hazardous
- 12 substances from sites that have been cleaned up as required by law.
- 13 (2) The legislature finds that a deposit of hazardous substances on
- 14 real property that results in increasing the contamination level of
- 15 that property has potential significant adverse environmental impacts.
- 16 The legislature therefore intends to prohibit such deposits except in
- 17 limited circumstances, such as deposits on state-designated disposal
- 18 sites or on properties that are part of an approved county solid waste
- 19 plan. The legislature further intends to declare that, with these

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- 1 limited exceptions, no hazardous substance may be deposited on real
- 2 property containing the hazardous substances to a lesser quantity and
- 3 degree than the hazardous substance being deposited.
- 4 **Sec. 2.** RCW 70.105D.020 and 1998 c 6 s 1 are each amended to read 5 as follows:
- 6 (1) "Agreed order" means an order issued by the department under
 7 this chapter with which the potentially liable person receiving the
 8 order agrees to comply. An agreed order may be used to require or
 9 approve any cleanup or other remedial actions but it is not a
 10 settlement under RCW 70.105D.040(4) and shall not contain a covenant
 11 not to sue, or provide protection from claims for contribution, or
 12 provide eligibility for public funding of remedial actions under RCW
- 14 (2) "Department" means the department of ecology.

70.105D.070(2)(d)(xi).

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- 15 (3) "Director" means the director of ecology or the director's 16 designee.
- 17 (4) "Facility" means (a) any building, structure, installation, 18 equipment, pipe or pipeline (including any pipe into a sewer or 19 publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, 20 21 vessel, or aircraft, or (b) any site or area where a hazardous 22 substance, other than a consumer product in consumer use, has been 23 deposited, stored, disposed of, or placed, or otherwise come to be 24 located.
- 25 (5) "Federal cleanup law" means the federal comprehensive 26 environmental response, compensation, and liability act of 1980, 42 27 U.S.C. Sec. 9601 et seq., as amended by Public Law 99-499.
- "Foreclosure and its equivalents" means purchase at a 28 29 foreclosure sale, acquisition, or assignment of title in lieu of 30 foreclosure, termination of a lease, or other repossession, acquisition of a right to title or possession, an agreement in satisfaction of the 31 32 obligation, or any other comparable formal or informal manner, whether 33 under warranties, covenants, conditions, pursuant to law or 34 representations, or promises from the borrower, by which the holder acquires title to or possession of a facility securing a loan or other 35 36 obligation.
- 37 (7) "Hazardous substance" means:

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- 1 (a) Any dangerous or extremely hazardous waste as defined in RCW 2 70.105.010 (5) and (6), or any dangerous or extremely dangerous waste 3 designated by rule pursuant to chapter 70.105 RCW;
 - (b) Any hazardous substance as defined in RCW 70.105.010(14) or any hazardous substance as defined by rule pursuant to chapter 70.105 RCW;
- 6 (c) Any substance that, on March 1, 1989, is a hazardous substance 7 under section 101(14) of the federal cleanup law, 42 U.S.C. Sec. 8 9601(14);
 - (d) Petroleum or petroleum products; and

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- (e) Any substance or category of substances, including solid waste decomposition products, determined by the director by rule to present a threat to human health or the environment if released into the environment.
- The term hazardous substance does not include any of the following when contained in an underground storage tank from which there is not a release: Crude oil or any fraction thereof or petroleum, if the tank is in compliance with all applicable federal, state, and local law.
- 18 (8) "Independent remedial actions" means remedial actions conducted 19 without department oversight or approval, and not under an order, 20 agreed order, or consent decree.
 - (9) "Holder" means a person who holds indicia of ownership primarily to protect a security interest. A holder includes the initial holder such as the loan originator, any subsequent holder such as a successor-in-interest or subsequent purchaser of the security interest on the secondary market, a guarantor of an obligation, surety, or any other person who holds indicia of ownership primarily to protect a security interest, or a receiver, court-appointed trustee, or other person who acts on behalf or for the benefit of a holder. A holder can be a public or privately owned financial institution, receiver, conservator, loan guarantor, or other similar persons that loan money or guarantee repayment of a loan. Holders typically are banks or savings and loan institutions but may also include others such as insurance companies, pension funds, or private individuals that engage in loaning of money or credit.
 - (10) "Indicia of ownership" means evidence of a security interest, evidence of an interest in a security interest, or evidence of an interest in a facility securing a loan or other obligation, including any legal or equitable title to a facility acquired incident to foreclosure and its equivalents. Evidence of such interests includes,

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- l mortgages, deeds of trust, sellers interest in a real estate contract,
- 2 liens, surety bonds, and quarantees of obligations, title held pursuant
- 3 to a lease financing transaction in which the lessor does not select
- 4 initially the leased facility, or legal or equitable title obtained
- 5 pursuant to foreclosure and their equivalents. Evidence of such
- 6 interests also includes assignments, pledges, or other rights to or
- 7 other forms of encumbrance against the facility that are held primarily
- 8 to protect a security interest.
- 9 (11) "Operating a facility primarily to protect a security
- 10 interest" occurs when all of the following are met: (a) Operating the
- 11 facility where the borrower has defaulted on the loan or otherwise
- 12 breached the security agreement; (b) operating the facility to preserve
- 13 the value of the facility as an ongoing business; (c) the operation is
- 14 being done in anticipation of a sale, transfer, or assignment of the
- 15 facility; and (d) the operation is being done primarily to protect a
- 16 security interest. Operating a facility for longer than one year prior
- 17 to foreclosure or its equivalents shall be presumed to be operating the
- 18 facility for other than to protect a security interest.
- 19 (12) "Owner or operator" means:
- 20 (a) Any person with any ownership interest in the facility or who
- 21 exercises any control over the facility; or
- (b) In the case of an abandoned facility, any person who had owned,
- 23 or operated, or exercised control over the facility any time before its
- 24 abandonment;
- 25 The term does not include:
- 26 (i) An agency of the state or unit of local government which
- 27 acquired ownership or control involuntarily through bankruptcy, tax
- 28 delinquency, abandonment, or circumstances in which the government
- 29 involuntarily acquires title. This exclusion does not apply to an
- 30 agency of the state or unit of local government which has caused or
- 31 contributed to the release or threatened release of a hazardous
- 32 substance from the facility;
- 33 (ii) A person who, without participating in the management of a
- 34 facility, holds indicia of ownership primarily to protect the person's
- 35 security interest in the facility. Holders after foreclosure and its
- 36 equivalent and holders who engage in any of the activities identified
- 37 in subsection (13)(e) through (g) of this section shall not lose this
- 38 exemption provided the holder complies with all of the following:

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- 1 (A) The holder properly maintains the environmental compliance 2 measures already in place at the facility;
- 3 (B) The holder complies with the reporting requirements in the 4 rules adopted under this chapter;
- 5 (C) The holder complies with any order issued to the holder by the 6 department to abate an imminent or substantial endangerment;
- 7 (D) The holder allows the department or potentially liable persons 8 under an order, agreed order, or settlement agreement under this 9 chapter access to the facility to conduct remedial actions and does not 10 impede the conduct of such remedial actions;

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- (E) Any remedial actions conducted by the holder are in compliance with any preexisting requirements identified by the department, or, if the department has not identified such requirements for the facility, the remedial actions are conducted consistent with the rules adopted under this chapter; and
- (F) The holder does not exacerbate an existing release. The exemption in this subsection (12)(b)(ii) does not apply to holders who cause or contribute to a new release or threatened release or who are otherwise liable under RCW 70.105D.040(1) (b), (c), (d), and (e); provided, however, that a holder shall not lose this exemption if it establishes that any such new release has been remediated according to the requirements of this chapter and that any hazardous substances remaining at the facility after remediation of the new release are divisible from such new release;
- (iii) A fiduciary in his, her, or its personal or individual 25 26 capacity. This exemption does not preclude a claim against the assets of the estate or trust administered by the fiduciary or against a 27 nonemployee agent or independent contractor retained by a fiduciary. 28 29 This exemption also does not apply to the extent that a person is 30 liable under this chapter independently of the person's ownership as a 31 fiduciary or for actions taken in a fiduciary capacity which cause or contribute to a new release or exacerbate an existing release of 32 This exemption applies provided that, to the 33 hazardous substances. 34 extent of the fiduciary's powers granted by law or by the applicable 35 governing instrument granting fiduciary powers, the fiduciary complies with all of the following: 36
- 37 (A) The fiduciary properly maintains the environmental compliance 38 measures already in place at the facility;

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1 (B) The fiduciary complies with the reporting requirements in the 2 rules adopted under this chapter;

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- (C) The fiduciary complies with any order issued to the fiduciary by the department to abate an imminent or substantial endangerment;
- (D) The fiduciary allows the department or potentially liable persons under an order, agreed order, or settlement agreement under this chapter access to the facility to conduct remedial actions and does not impede the conduct of such remedial actions;
- 9 (E) Any remedial actions conducted by the fiduciary are in 10 compliance with any preexisting requirements identified by the 11 department, or, if the department has not identified such requirements 12 for the facility, the remedial actions are conducted consistent with 13 the rules adopted under this chapter; and
 - (F) The fiduciary does not exacerbate an existing release.

15 The exemption in this subsection (12)(b)(iii) does not apply to fiduciaries who cause or contribute to a new release or threatened 16 release or who are otherwise liable under RCW 70.105D.040(1) (b), (c), 17 (d), and (e); provided however, that a fiduciary shall not lose this 18 19 exemption if it establishes that any such new release has been 20 remediated according to the requirements of this chapter and that any hazardous substances remaining at the facility after remediation of the 21 new release are divisible from such new release. The exemption in this 22 subsection (12)(b)(iii) also does not apply where the fiduciary's 23 24 powers to comply with this subsection (12)(b)(iii) are limited by a 25 governing instrument created with the objective purpose of avoiding 26 liability under this chapter or of avoiding compliance with this 27 chapter; or

- (iv) Any person who has any ownership interest in, operates, or exercises control over real property where a hazardous substance has come to be located solely as a result of migration of the hazardous substance to the real property through the ground water from a source off the property, if:
- 33 (A) The person can demonstrate that the hazardous substance has not 34 been used, placed, managed, or otherwise handled on the property in a 35 manner likely to cause or contribute to a release of the hazardous 36 substance that has migrated onto the property;
- 37 (B) The person has not caused or contributed to the release of the 38 hazardous substance;

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(C) The person does not engage in activities that damage or interfere with the operation of remedial actions installed on the person's property or engage in activities that result in exposure of humans or the environment to the contaminated ground water that has migrated onto the property;

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- (D) If requested, the person allows the department, potentially liable persons who are subject to an order, agreed order, or consent decree, and the authorized employees, agents, or contractors of each, access to the property to conduct remedial actions required by the department. The person may attempt to negotiate an access agreement before allowing access; and
- 12 (E) Legal withdrawal of ground water does not disqualify a person 13 from the exemption in this subsection (12)(b)(iv).
 - (13) "Participation in management" means exercising decision-making control over the borrower's operation of the facility, environmental compliance, or assuming or manifesting responsibility for the overall management of the enterprise encompassing the day-to-day decision making of the enterprise.

The term does not include any of the following: (a) A holder with the mere capacity or ability to influence, or the unexercised right to control facility operations; (b) a holder who conducts or requires a borrower to conduct an environmental audit or an environmental site assessment at the facility for which indicia of ownership is held; (c) a holder who requires a borrower to come into compliance with any applicable laws or regulations at the facility for which indicia of ownership is held; (d) a holder who requires a borrower to conduct remedial actions including setting minimum requirements, but does not otherwise control or manage the borrower's remedial actions or the scope of the borrower's remedial actions except to prepare a facility for sale, transfer, or assignment; (e) a holder who engages in workout or policing activities primarily to protect the holder's security interest in the facility; (f) a holder who prepares a facility for sale, transfer, or assignment or requires a borrower to prepare a facility for sale, transfer, or assignment; (g) a holder who operates a facility primarily to protect a security interest, or requires a borrower to continue to operate, a facility primarily to protect a security interest; and (h) a prospective holder who, as a condition of becoming a holder, requires an owner or operator to conduct an environmental audit, conduct an environmental site assessment, come

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- into compliance with any applicable laws or regulations, or conduct remedial actions prior to holding a security interest is not participating in the management of the facility.
- 4 (14) "Person" means an individual, firm, corporation, association, 5 partnership, consortium, joint venture, commercial entity, state 6 government agency, unit of local government, federal government agency, 7 ((or)) Indian tribe, special district, port district, or any other 8 entity established under law.
- 9 (15) "Policing activities" means actions the holder takes to insure 10 that the borrower complies with the terms of the loan or security interest or actions the holder takes or requires the borrower to take 11 to maintain the value of the security. Policing activities include: 12 Requiring the borrower to conduct remedial actions at the facility 13 during the term of the security interest; requiring the borrower to 14 15 comply or come into compliance with applicable federal, state, and 16 local environmental and other laws, regulations, and permits during the 17 term of the security interest; securing or exercising authority to monitor or inspect the facility including on-site inspections, or to 18 19 monitor or inspect the borrower's business or financial condition 20 during the term of the security interest; or taking other actions necessary to adequately police the loan or security interest such as 21 22 requiring a borrower to comply with any warranties, covenants, 23 conditions, representations, or promises from the borrower.
- (16) "Potentially liable person" means any person whom the department finds, based on credible evidence, to be liable under RCW 70.105D.040. The department shall give notice to any such person and allow an opportunity for comment before making the finding, unless an emergency requires otherwise.
- 29 (17) "Prepare a facility for sale, transfer, or assignment" means 30 to secure access to the facility; perform routine maintenance on the facility; remove inventory, equipment, or structures; properly maintain 31 environmental compliance measures already in place at the facility; 32 33 conduct remedial actions to clean up releases at the facility; or to perform other similar activities intended to preserve the value of the 34 facility where the borrower has defaulted on the loan or otherwise 35 breached the security agreement or after foreclosure and its 36 37 equivalents and in anticipation of a pending sale, transfer, or assignment, primarily to protect the holder's security interest in the 38 39 facility. A holder can prepare a facility for sale, transfer, or

assignment for up to one year prior to foreclosure and its equivalents and still stay within the security interest exemption in subsection (12)(b)(ii) of this section.

- (18) "Primarily to protect a security interest" means the indicia of ownership is held primarily for the purpose of securing payment or performance of an obligation. The term does not include indicia of ownership held primarily for investment purposes nor indicia of ownership held primarily for purposes other than as protection for a security interest. A holder may have other, secondary reasons, for maintaining indicia of ownership, but the primary reason must be for protection of a security interest. Holding indicia of ownership after foreclosure or its equivalents for longer than five years shall be considered to be holding the indicia of ownership for purposes other than primarily to protect a security interest. For facilities that have been acquired through foreclosure or its equivalents prior to July 23, 1995, this five-year period shall begin as of July 23, 1995.
 - (19) "Public notice" means, at a minimum, adequate notice mailed to all persons who have made timely request of the department and to persons residing in the potentially affected vicinity of the proposed action; mailed to appropriate news media; published in the newspaper of largest circulation in the city or county of the proposed action; and opportunity for interested persons to comment.
 - (20) "Release" means any intentional or unintentional entry of any hazardous substance into the environment, including but not limited to the abandonment or disposal of containers of hazardous substances.
 - (21) "Remedy" or "remedial action" means any action or expenditure consistent with the purposes of this chapter to identify, eliminate, or minimize any threat or potential threat posed by hazardous substances to human health or the environment including any investigative and monitoring activities with respect to any release or threatened release of a hazardous substance and any health assessments or health effects studies conducted in order to determine the risk or potential risk to human health.
 - (22) "Security interest" means an interest in a facility created or established for the purpose of securing a loan or other obligation. Security interests include deeds of trusts, sellers interest in a real estate contract, liens, legal, or equitable title to a facility acquired incident to foreclosure and its equivalents, and title pursuant to lease financing transactions. Security interests may also

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- 1 arise from transactions such as sale and leasebacks, conditional sales,
- 2 installment sales, trust receipt transactions, certain assignments,
- 3 factoring agreements, accounts receivable financing arrangements,
- 4 easements, and consignments, if the transaction creates or establishes
- 5 an interest in a facility for the purpose of securing a loan or other
- 6 obligation.
- 7 (23) "Industrial properties" means properties that are or have been
- 8 characterized by, or are to be committed to, traditional industrial
- 9 uses such as processing or manufacturing of materials, marine terminal
- 10 and transportation areas and facilities, fabrication, assembly,
- 11 treatment, or distribution of manufactured products, or storage of bulk
- 12 materials, that are either:
- 13 (a) Zoned for industrial use by a city or county conducting land
- 14 use planning under chapter 36.70A RCW; or
- 15 (b) For counties not planning under chapter 36.70A RCW and the
- 16 cities within them, zoned for industrial use and adjacent to properties
- 17 currently used or designated for industrial purposes.
- 18 (24) "Workout activities" means those actions by which a holder, at
- 19 any time prior to foreclosure and its equivalents, seeks to prevent,
- 20 cure, or mitigate a default by the borrower or obligor; or to preserve,
- 21 or prevent the diminution of, the value of the security. Workout
- 22 activities include: Restructuring or renegotiating the terms of the
- 23 security interest; requiring payment of additional rent or interest;
- 24 exercising forbearance; requiring or exercising rights pursuant to an
- 25 assignment of accounts or other amounts owed to an obligor; requiring
- 26 or exercising rights pursuant to an escrow agreement pertaining to
- 27 amounts owed to an obligor; providing specific or general financial or
- 28 other advice, suggestions, counseling, or guidance; and exercising any
- 29 right or remedy the holder is entitled to by law or under any
- 30 warranties, covenants, conditions, representations, or promises from
- 31 the borrower.
- 32 (25)(a) "Fiduciary" means a person acting for the benefit of
- 33 another party as a bona fide trustee; executor; administrator;
- 34 custodian; guardian of estates or guardian ad litem; receiver;
- 35 conservator; committee of estates of incapacitated persons; trustee in
- 36 bankruptcy; trustee, under an indenture agreement, trust agreement,
- 37 lease, or similar financing agreement, for debt securities,
- 38 certificates of interest or certificates of participation in debt
- 39 securities, or other forms of indebtedness as to which the trustee is

- not, in the capacity of trustee, the lender. Except as provided in subsection (12)(b)(iii) of this section, the liability of a fiduciary under this chapter shall not exceed the assets held in the fiduciary capacity.
 - (b) "Fiduciary" does not mean:

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- 6 (i) A person acting as a fiduciary with respect to a trust or other
 7 fiduciary estate that was organized for the primary purpose of, or is
 8 engaged in, actively carrying on a trade or business for profit, unless
 9 the trust or other fiduciary estate was created as part of, or to
 10 facilitate, one or more estate plans or because of the incapacity of a
 11 natural person;
- (ii) A person who acquires ownership or control of a facility with the objective purpose of avoiding liability of the person or any other person. It is prima facie evidence that the fiduciary acquired ownership or control of the facility to avoid liability if the facility is the only substantial asset in the fiduciary estate at the time the facility became subject to the fiduciary estate;
- (iii) A person who acts in a capacity other than that of a fiduciary or in a beneficiary capacity and in that capacity directly or indirectly benefits from a trust or fiduciary relationship;
- (iv) A person who is a beneficiary and fiduciary with respect to the same fiduciary estate, and who while acting as a fiduciary receives benefits that exceed customary or reasonable compensation, and incidental benefits permitted under applicable law;
- (v) A person who is a fiduciary and receives benefits that substantially exceed customary or reasonable compensation, and incidental benefits permitted under applicable law; or
- (vi) A person who acts in the capacity of trustee of state or federal lands or resources.
- (26) "Fiduciary capacity" means the capacity of a person holding title to a facility, or otherwise having control of an interest in the facility pursuant to the exercise of the responsibilities of the person as a fiduciary.
- NEW SECTION. Sec. 3. A new section is added to chapter 70.105D RCW to read as follows:
- No hazardous substance that has been removed from a facility may be deposited on real property that contains hazardous substances to a

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- 1 lesser quantity and degree than the hazardous substance being deposited
- 2 on the property. This section does not apply to:
- 3 (1) Actions taken in accordance with a settlement authorized in RCW
- 4 70.105D.040(5); or
- 5 (2) Deposits on a disposal site or landfill as defined in RCW
- 6 70.95.030 and deposits at facilities for the recyclying, storage,
- 7 treatment, incineration, or disposal of hazardous wastes as defined in
- 8 RCW 70.105.010(11) and 70.95.010(15).
- 9 **Sec. 4.** RCW 70.105D.050 and 1994 c 257 s 12 are each amended to 10 read as follows:
- 11 (1) With respect to any release, or threatened release, for which
- 12 the department does not conduct or contract for conducting remedial
- 13 action and for which the department believes remedial action is in the
- 14 public interest, the director shall issue orders or agreed orders
- 15 requiring potentially liable persons to provide the remedial action.
- 16 (2) Any liable person who refuses, without sufficient cause, to
- 17 comply with an order or agreed order of the director or who violates
- 18 <u>section 3 of this act</u> is liable in an action brought by the attorney
- 19 general for:
- 20 (a) Up to three times the amount of any costs incurred by the state
- 21 as a result of the party's refusal to comply or as a result of the
- 22 <u>violation of section 3 of this act;</u> and
- 23 (b) A civil penalty of up to twenty-five thousand dollars for each
- 24 day the party refuses to comply or up to twenty-five thousand dollars
- 25 for each violation of section 3 of this act.
- 26 (3) The treble damages and civil penalty under ((this)) subsection
- 27 (2) of this section apply to all recovery actions filed on or after
- 28 March 1, 1989, and to all violations of section 3 of this act occurring
- 29 on or after the effective date of this section.
- $((\frac{2}{2}))$ (4) Any person who incurs costs complying with an order
- 31 issued under subsection $((\frac{1}{1}))$ <u>(2)</u> of this section may petition the
- 32 department for reimbursement of those costs. If the department refuses
- 33 to grant reimbursement, the person may within thirty days thereafter
- 34 file suit and recover costs by proving that he or she was not a liable
- 35 person under RCW 70.105D.040 and that the costs incurred were
- 36 reasonable.
- (((3))) (5) The attorney general shall seek, by filing an action if
- 38 necessary, to recover the amounts spent by the department for

- 1 investigative and remedial actions and orders, and agreed orders,
- 2 including amounts spent prior to March 1, 1989, and for investigations
- 3 and other actions taken regarding violations of section 3 of this act.
- (((4))) (6) The attorney general may bring an action to secure such relief as is necessary to protect human health and the environment under this chapter.
- $((\frac{(5)}{)}))$ (7)(a) Any person may commence a civil action to compel the department to perform any nondiscretionary duty under this chapter. At least thirty days before commencing the action, the person must give notice of intent to sue, unless a substantial endangerment exists. The
- 11 court may award attorneys' fees and other costs to the prevailing party
- 12 in the action.
- 13 (b) Civil actions under this section and RCW 70.105D.060 may be
- 14 brought in the superior court of Thurston county or of the county in
- 15 which the release or threatened release exists.
- 16 **Sec. 5.** RCW 70.105D.080 and 1997 c 406 s 6 are each amended to 17 read as follows:
- 18 $\underline{\text{(1)}}$ Except as provided in RCW 70.105D.040(4) (d) and (f), a person
- 19 may bring a private right of action, including a claim for contribution
- 20 or for <u>injunctive or</u> declaratory relief, against any other person
- 21 liable under RCW 70.105D.040 for the recovery of remedial action costs
- 22 or for violations of section 3 of this act. In the action, natural
- 23 resource damages paid to the state under this chapter may also be
- 24 recovered. Recovery shall be based on such equitable factors as the
- 25 court determines are appropriate. Remedial action costs and damages or
- 26 other remedies for violations of section 3 of this act shall include
- 27 reasonable attorneys' fees and expenses.
- 28 (2) Recovery of remedial action costs shall be limited to those
- 29 remedial actions that, when evaluated as a whole, are the substantial
- 30 equivalent of a department-conducted or department-supervised remedial
- 31 action. Substantial equivalence shall be determined by the court with
- 32 reference to the rules adopted by the department under this chapter.
- 33 An action under this section may be brought after remedial action costs
- 34 are incurred but must be brought within three years from the date
- 35 remedial action confirms cleanup standards are met or within one year
- 36 of May 12, 1993, whichever is later.
- 37 (3) The prevailing party in ((such)) an action brought under this
- 38 section shall recover its reasonable attorneys' fees and costs. This

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- 1 section applies to all causes of action regardless of when the cause of
- 2 action may have arisen. To the extent a cause of action has arisen
- 3 prior to May 12, 1993, this section applies retroactively, but in all
- 4 other respects it applies prospectively.
- 5 <u>NEW SECTION.</u> **Sec. 6.** If any provision of this act or its
- 6 application to any person or circumstance is held invalid, the
- 7 remainder of the act or the application of the provision to other
- 8 persons or circumstances is not affected.
- 9 <u>NEW SECTION.</u> **Sec. 7.** This act is necessary for the immediate
- 10 preservation of the public peace, health, or safety, or support of the
- 11 state government and its existing public institutions, and takes effect
- 12 immediately.

--- END ---